



**IDAHO TRANSPORTATION DEPARTMENT**  
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January 5, 2011

Senate Transportation Committee Members  
House Transportation and Defense Committee Members  
STATEHOUSE MAIL

Dear Legislators:

With the passage of Senate Bill 1134, 2009, the Idaho Transportation Department provides an annual report as of January 1 of each year to the Senate Transportation Committee and the House Transportation and Defense Committee on the progress being made toward the Department's Division of Motor Vehicles' improvements to technology operations and related systems. Please find this year's report attached for your information.

We hope this information is useful to you. If you have questions or need additional details, please contact me at 334-8809 or at [alan.frew@itd.idaho.gov](mailto:alan.frew@itd.idaho.gov).

Sincerely,

Alan J. Frew  
Administrator

Attachment

cc:	President Pro Tem Brent Hill	House Speaker Lawrence Denney
	Senate Majority Leader Bart Davis	House Majority Leader Mike Moyle
	Senate Minority Leader Edgar Malepeai	House Minority Leader John Rusche
	Senator John Goedde	

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# **Report to the Legislature**



## **DMV MODERNIZATION PROJECT**

**January 2011**

## **DMV MODERNIZATION Program: 2011 annual report to legislature for 2010 activities**

Idaho's DMV Modernization Program is taking on a statewide revitalization of the DMV system. This Modernization effort involves multiple projects that will provide secure, reliable, prompt customer service.

As Idaho transitions millions of personal data records to a new computer system, outdated equipment and software is being replaced and upgraded. These steps help county DMV offices process a growing number of transactions more efficiently without needing to hire more staff.

The goal in streamlining DMV services is to:

1. Provide exceptional customer service;
2. Save costs through increased efficiency and transparency;
3. Strengthen security of personal customer information; and
4. Install a system that enhances the effectiveness of local, state and federal partnerships.

**The DMV Modernization Program consists of the following components:**

### **FY 2010 Project Detail**

#### **Outdated mainframe system replacement initiation**

DMV is currently in the process of engaging the "best value" vendor in the procurement of pre-developed software most likely to fit Idaho DMV's vision of providing a robust 'customer centered' system. DMV business processes will be upgraded under the scope of this project (i.e. Driver Licensing, Titles, Registrations, Dealer Licensing, Commercial Vehicle Services, Imaging, and Point of Sale funds receipting). The pre-award phase began in Fall 2010, exploring requirements and analyzing prospective vendor product offerings and solutions. A contract is expected to be awarded in early spring once a project plan has been delivered and approved.



In conjunction with procuring the new system software, DMV is in the process of 'cleaning and staging' the existing DMV data in preparation for importing into the new system. This includes striving toward the concept of a single customer record to track a person's or business' title, registration and driver records in a single master data record. Systematic cross-checking of data means information is not inadvertently given to the wrong person. Confusion caused when looking up information about someone with the same or similar name is minimized. This effort guards personal identity information and increases public safety by providing accurate information to law enforcement. The data cleansing/staging effort began in Summer 2010. (FY 2010 Expenditures: \$294,900 – RFP development and data staging)

#### **DMV phone upgrades improve caller experience**

ITD-wide phone upgrades represent a shift from an 80's-era phone structure to current technology. Voice over Internet Protocol (VoIP) is a method of using Internet networks for phone communications. Many citizens already take advantage of cable or Internet phone services to realize cost savings at home, and DMV'S modernization approach is similar – but with enormously expanded capabilities. One of the improvements callers will experience right away is having a question answered more quickly. DMV HQ VoIP Contact Center is scheduled to be implemented Spring 2011. Along with this effort, equipment upgrades were made to replace failing Port of Entry (POE) equipment. The project installed call routers, phone lines, telephone sets and computer hardware to make the system compatible with the rest of the ITD and DMV phone system. (FY 2010 Expenditures: \$164,049 – hardware system procurement)



### Advanced security, cost efficiency with Central Issuance Driver's Licenses and Identity Cards

Central Issuance means driver's licenses and identification cards will be produced with the latest security features at a separate, secure location. From this centralized location, the card will be mailed to the customer. Security features will help protect Idahoans from identity theft and fraud, and will cost less than continuing with issuing cards over the counter. Idaho can save as much as \$2 million over a 10-year period by transitioning to Central Issuance while improving security at the same time. Statewide roll-out is planned for Summer 2011. (FY 2010 Expenditures: \$250,000 - equipment upgrade)

### Other modernization-related activities

- **Increased system integrity to mitigate unauthorized activities** - ITD is devoting significant time and financial resources to improve system-wide security of personal information and to prevent employee fraud at state and county locations. These tightened measures include increased audits, staff review of fee reports, and focus on best practices. (FY 2010 Expenditures: \$518,000 - programming costs)
- **Final vendor expenses** - At the recommendation of the software vendor, a preliminary software upgrade for interfacing between DMV and the counties was terminated. Statute requires the DMV compensate the vendor for work completed thus far. Final billing was paid in FY 2010. (FY 2010 Expenditures: \$286,951 - final payment)
- **Software for efficiency, accountability when working with auto dealers** - The new, more secure database system provides a way for DMV staff to respond to public concerns about Idaho's 1,225 auto dealers. Notes on consumer calls, audits, and other dealer issues that are reported to DMV investigators are consolidated into one, easy-to-access location. The software allows DMV staff to follow enforcement actions involving dealers, automates correspondence with dealers, and generates reports. The software system was successfully installed, and the project completed in March 2010. (FY 2010 Expenditures: \$40,000 - software procurement)
- **Other efficiency enhancements** - ITD has been working on a new, more structured, more encompassing methodology for documenting and making changes to existing computer software. This process allows programmers to make behind-the-scenes software adjustments as front-end business activity demands it in a more timely and efficient fashion. Another initiative involved replacing the mailroom envelope sorting equipment that was failing. In a relatively short time, the equipment cost will be recouped when compared to the cost for staff time to manually perform the same work. (FY 2010 Expenditures: \$65,000)

### Program Budget

The following tables list the planned cost, by fiscal year, for the existing activities in the DMV Modernization Program. This is the primary source of project budgets, but not the only one. ITD DMV is continually seeking out and utilizing grants from the federal government to supplement projects and operational costs.

FY 2010 - this represents expenditures against expected revenue generation from HB334, (2009 Legislation) during the remainder of FY10 (January thru June 2010) as outlined previously.

FY 2010 Expenditures		\$ 1,618,900
PROJECT	BENEFIT	COST
DMV Outdated Mainframe System Replacement -- RFP, data cleansing/staging, "one person-one record"	Procure 'best value' software vendor, data cleansing/staging preparation to facilitate moving data from mainframe to new system	\$ 294,900 (consultant/contractor costs)
Phone upgrades to VOIP system	Increased security and lower operating cost, updated computers	\$ 164,049
Central Issuance of Driver Licenses	Increased security and lower operating cost, updated computers	\$ 250,000
Other modernization-related	Increased customer service and improved efficiency; compliance with existing statutes and enhanced capability to detect fraud	\$ 909,951



## FY 2011 Project Detail to Date

### Outdated mainframe system replacement

As stated earlier, DMV is continuing the process of engaging the “best value” vendor in the procurement of pre-developed software most likely to fit Idaho DMV’s vision of providing a robust ‘customer centered’ system. DMV business processes will be upgraded under the scope of this project (i.e. Driver Licensing, Titles, Registrations, Dealer Licensing, Commercial Vehicle Services, Imaging, and Point of Sale funds receipting). DMV has seen product demonstrations and is now in the pre-award phase, working with the vendor to agree on a detailed statement of work and schedule for the project. Data is continuing to be analyzed for completeness and consistency. Staff is currently working with expert consultants to identify data anomalies and make needed corrections. Additional programming was completed to enable counties to have the driver’s license examiner scores added directly to the database, eliminating a time consuming step and minimizing the likelihood of cheating on the driver’s knowledge exam. (FY 2011 Estimated Expenditures: \$7,382,300 partial vendor payment; expert consultants)

### VOIP contact center

As part of replacing the aging phone system, DMV will install a new contact center to provide more efficient and timely responses to questions and needs of the citizens of Idaho. This center will enable DMV staff to respond faster and enable the customers to reach a “live body” more quickly, to better serve customers. (FY 2011 Estimated Expenditures: \$510,000)

### Central issuance of driver licenses

The project is on schedule for completion in Summer 2011. DMV is spending extensive time building the links between the vendor central issuance solution and current mainframe system. Every effort is being made to create a link that can be migrated to the new mainframe replacement system. As a result extensive quality assurance code testing has been included in the development phase of this project. (FY 2011 Estimated Expenditures: \$440,000)



### TRS temporary staff

The heart of DMV at its Headquarters office in Boise, Idaho is the Technical Records Specialist (TRS). The specialized needs of every element in DMV are reflected in these key individuals. In order to support the modernization effort and ensure that DMV’s commitment to customer service is not affected, DMV has hired ten temporary staff to backfill where critical staff has been moved to assist in the modernization project. (FY 2011 Estimated Expenditures: \$350,000)

### Lexmark printer forms development/upgrade

The printers that ITD currently leases from Lexmark are outdated and need to be upgraded. These printers print all the forms and registrations decals. As a result of the upgrade, the existing county DMV forms will be recreated using a new Lexmark forms development tool. (FY 2011 Estimated Expenditures: \$126,000)

FY 2011- this represents the planned expenditures against revenue generated by HB334, (2009 Legislation) during the FY 11 timeline. Activities occurring in 2010 (June – December 2010) are discussed below.

FY 2011 Expenditures (estimated)		\$ 9,148,800
PROJECT	BENEFIT	COST
DMV Outdated Mainframe System including driver license system integrity, organizational change initiative, data cleansing/staging	To increase efficiencies and eliminate redundancy, procure ‘best value’ vendor, provide more network stability to counties	\$ 7,382,300 (partial vendor payment; expert consultant staff)
VoIP Network Contact Center	Services/equipment to enhance customer service	\$ 510,000
Central Issuance of Driver Licenses	Increased security and lower operating cost	\$ 440,000
TRS Temporary Staff	Conduct DMV operations while regular staff support the replacement of aging DMV mainframe system	\$ 350,000
Lexmark Printer Forms Development/ Upgrade	Support DMV modernization and central issuance of driver licenses	\$ 126,000

## Schedules

1. DMV Mainframe System Replacement
  - a. Data cleansing/staging initiation 5/2010 - Complete
  - b. RFP released for "Best Value" vendor 8/2010 - Complete
  - c. Vendor selected for "Pre-Award" phase 12/2010 - Complete
  - d. System Requirement Assessment Spring - Complete
  - e. Vendor contract signed Summer - 2011
  - f. Data cleansing/staging maintenance Winter - 2011/2012
  - g. System development & deployment Fall - 2011 - Fall 2014
  - h. Estimated project completion Winter - 2014
2. VOIP Phone Upgrade and Contact Center
  - a. Project planning 12/2009 - Complete
  - b. Requirements documented 6/2010 - Complete
  - c. POE project complete 7/2010 - Complete
  - d. HQ Testing Winter - 2010/2011
  - e. HQ Estimated Project completion Spring - 2011
3. Centralized Driver License Issuance
  - a. Project planning 2/2010 - Complete
  - b. Requirements documented 5/2010 - Complete
  - c. System development Winter - 2010/2011
  - d. Testing Spring - 2011
  - e. Estimated project completion Summer - 2011

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This annual report to the Senate Transportation and House Transportation & Defense committees documents ITD's Division of Motor Vehicle's progress toward upgrading and implementing automated systems. Required by Senate Bill 1134 (2009), Session Law Chapter 236 (2003) Idaho Code Section 49-1210.

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